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May 8, 2023

VIA EMAIL AND CERTIFIED MAIL — RETURN RECEIPT REQUESTED

Department of Environment,
Great Lakes, and Energy
Air Quality Division
Kalamazoo District
7953 Adobe Road
Kalamazoo, Michigan 49009
Attention: Monica Brothers
Email: BrothersM@michigan.gov

Jenine Camilleri
Enforcement Unit Supervisor
Department of Environment,
Great Lakes, and Energy
Air Quality Division
P.O. Box 30260
Lansing, Michigan 48909-7760
Email: CamilleriJ@michigan.gov

RECEIVED
MAY 11 2023
AQD - KALAMAZOO

Re: **Response to Violation Notice dated April 6, 2023**
SRN: U391700037, Kalamazoo County

Dear Ms. Brothers:

J. Rettemaier USA LP (JRS) is in receipt of the Violation Notice dated April 6, 2023 (VN). The VN alleged that JRS was in violation of State of Michigan Rules 336.1210, 336.1370 and 336.1910. As part of the alleged violation of Rule 910, the VN requested JRS submit a malfunction abatement plan (MAP) within 60 days of April 6, 2023 (i.e., by June 5, 2023). Additionally, a facility-wide potential to emit (PTE) demonstration was requested to be provided, however, timing was not specified.

The VN was issued based upon observations made by Monica Brothers during an inspection of JRS’s Schoolcraft fiber plant on March 28, 2023. JRS is providing this correspondence to respond to the alleged violations, as well as provide the additional information requested within the VN. Responses are provided below to address each noted allegation.

1. VN cited a Rule 201 violation because the facility could not produce an exemption demonstration and does not have a permit to install (PTI) for the cellulose production operation.

No basis has been provided by AQD staff to support the claim that a PTI was required pursuant to Rule 201 for JRS’s cellulose production operation. Under Rule 285(2)(l)(vi), no PTI is required in the case of equipment for “*carving, cutting, routing, turning, drilling, machining, sawing, surface grinding, sanding, planing, buffing, sand blast cleaning, shot blasting, shot peening, or polishing ... paper board, wood, [or] wood products*” so long as the equipment has “*externally vented emissions controlled by an appropriately designed and operated fabric filter collector.*” In this case, JRS’s Schoolcraft fiber plant produces powdered cellulose from raw/virgin wood materials. The equipment used to shred, mill, and process those wood materials into their finished products employs dust collection and filtration units to remove any particulate generated by those operations from the air before being expelled from the facility. The equipment, filtration units, and particulate are all similar, if not identical, to equipment, filtration units, and particulate covered under Rule 285(2)(l)(vi). Therefore, JRS’s cellulose production operation should be exempt from Rule 201’s permitting requirements.

Further, even if JRS's cellulose production operation is subject to Rule 201, JRS does not agree that a Rule 201 violation occurred. At the time of the inspection, JRS did not have a written exemption analysis to provide. However, failure to produce an exemption demonstration upon verbal request or during an inspection does not constitute a violation. Rather, Rule 278a provides a facility 30 days from AQD's written request to provide such a demonstration. A relevant excerpt from Rule 278a is provided for reference:

The demonstration required by this rule shall be provided within 30 days of a written request from the department. Any other records required within a specific exemption shall be provided within timeframes established within that specific exemption.

JRS has prepared a written exemption analysis, which is included with this submittal to AQD. Based on this exemption analysis, JRS has determined that its cellulose production operation is exempt under Rule 291 from Rule 201's permitting requirements. *Note:* Since the detailed calculations which support this exemption analysis contain confidential business information (CBI), the attached report contains only summaries of those calculations. However, JRS is willing to make the supporting information available to AQD for review, so long as methods are employed to preserve and protect the confidentiality of its CBI.

2. VN cited a Rule 370 violation for improper collection and disposal of particulate matter.

JRS agrees that cellulosic material was present on certain baghouse enclosures and vents, as well as on limited areas of the rooftop. JRS has determined that housekeeping practices can be improved when completing routine maintenance or repair activities. JRS is working to finalize updates to procedures to reduce or eliminate the release of cellulosic material related to maintenance or repair activities as well as enhanced procedures to accomplish the prompt cleanup of cellulosic materials that are inadvertently released to the roof. The updated procedures will be added to JRS's internal training and maintenance standard operating procedures.

Note, that cellulosic material that was identified as "caked" on the roof does not become airborne as it adheres to the roof and baghouse structures. JRS periodically uses pressurized water to remove the caked-on materials.

3. VN cited a Rule 910 violation for improper operation and maintenance of baghouses.

The VN states that *"the AQD staff observed operation of the cellulose production equipment while the associated baghouses were malfunctioning and emitting particulate. Staff also observed particulate matter caked on the baghouse exhaust vents, and on the roof where the baghouses are located."* These two statements are addressed separately below:

a. *"[T]he AQD staff observed operation of the cellulose production equipment while the associated baghouses were malfunctioning and emitting particulate."*

JRS respectfully disagrees that cellulose production equipment could have been operating while the associated baghouses were malfunctioning. JRS does not operate a processing line during a

baghouse malfunction, and there are controls/systems in place to shut down a process line if a baghouse malfunction is detected. In addition, there are systems in place to initiate preventive maintenance activities so as to avoid a baghouse malfunction and subsequent loss of production due to a process line shutdown.

During the inspection, AQD staff observed what appeared to be particulate emitting from a baghouse stack. At that time, however, JRS explained that the associated line was processing virgin product (which has an elevated moisture content as discussed below), and that the opacity from the stack that was observed was due to the emission of water vapor in the exhaust, which condenses as the exhaust stream cools.

The wood pulp that is received has a moisture content of approximately 11% by weight. As it is processed, and especially at the beginning of the line, mechanical heat is created from the operation, which naturally drives moisture from the product, resulting in the moisture content dropping to approximately 4% by the end of the process. For each 1,000 pounds of wood pulp processed, this would equate to a release of approximately 70 pounds of water. From a practical standpoint, if the baghouse was not functioning correctly and producing visible emissions, then there would have been significant deposition of cellulosic fiber, which is relatively large in size, and JRS would have been losing a significant amount of revenue by allowing product to escape.

Furthermore, JRS would like the AQD to understand the following two items with regard to material handling:

- i. The baghouses utilized at the facility are stated to have better than 99.99% capture efficiency, and all but one baghouse (i.e., 26 of 27 baghouses) are integral to the operation of the facility and return any captured product to the production line. The loss of product to the air is detrimental to revenue.
- ii. Considering all products processed at the facility, and based on JRS's customer specification and sieve tests, the average concentration of PM₁₀ and PM_{2.5} (i.e., the regulated portions of PM) are 5.30% and 1.11% by weight, respectively.

b. *“Staff also observed particulate matter caked on the baghouse exhaust vents, and on the roof where the baghouses are located.”*

In the Activity Report, AQD staff assumes that the visual identification of particulate on the baghouse vents indicates *“there were many prior events where particulate has not been appropriately caught by the baghouse and has escaped through the vents and landed on the roof of the buildings.”* JRS strongly disagrees with this assumption. As stated previously, the baghouses are designed to capture greater than 99.99% of the material processed through the baghouse. Further, the physical structure of the cellulose, which is elongated, multidimensional fibers, that are far more similar to the shape of a snowflake than a smooth rounded mineral deposit, makes the fibers much more likely to adhere to the baghouse filters than to escape. As noted in the Activity Report, JRS informed AQD staff that the residue observed was from completing maintenance activities on the baghouse systems (i.e., changing out and replacing the spent bags or other maintenance activities that require opening the baghouse enclosure and possible handling of bags which could then result in a release of cellulosic materials).

MILLER JOHNSON

May 8, 2023

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Based on the information above, JRS does not believe that a violation of Rule 910 occurred as particulate matter was not emitted from a baghouse stack, and the observed particulate matter on the exhaust vents and roof were not a result of improper operation. JRS does agree that better housekeeping practices can and should be employed when completing maintenance activities. However, JRS also believes that is properly cited only under Rule 370.

4. **VN requests the facility submit a MAP pursuant to Rule 911(2).**

The MAP is under development and will be submitted by the deadline.

5. **VN requests a facility wide PTE.**

The facility wide PTE is under development and will be submitted with the MAP.

Please contact my office if you have any questions regarding this correspondence.

Sincerely,

MILLER JOHNSON

By



Grant E. Schertzing

GES

Attachment

cc: Annette Switzer, EGLE, *via email at* SwitzerA2@michigan.gov
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